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Comments on Common Carrier Docket No. 96-45. In the Matter of the Federal-State Joint Board Universal Service Recommended Decision.

The Alliance for Distance Education in California (ADEC) is a nonprofit organization which supports distance education in California. ADEC members include librarians, administrators, researchers, and instructors from Kindergarten through higher education who share the goal of improving technology use in education. As president of ADEC, I submit this original and 11 copies of ADEC's comments on the Commission's request for further information to implement the recommended decision of the Joint Federal-State Board on the universal service requirements of the Telecommunications Act of 1996.

Competitively Neutral Rules

The Joint Board recommends competitively neutral FCC rules in paragraph 484 of their report for "schools and libraries to secure internal connections" and in paragraph 476 "to enhance access to advanced telecommunications and information services for all public and nonprofit elementary and secondary classrooms...and libraries." Paragraph 543 recommends the geographic service area of a service provider "to mean the area in which the service provider is seeking to serve customers, e.g., the telephone or cable company's franchise area and a wireless company's serving area" and paragraph 544 states "there is no reason to exclude carriers who do not provide core services, if they can offer eligible services to a school or library at the lowest rate." ADEC recommends that the FCC's competitively neutral rules require all companies—including telephone companies, cable television companies, direct broadcast satellite companies, local multipoint distribution service companies, and wireless telecommunications service companies—that could provide telecommunications services and Internet access services to schools or libraries to contribute a percentage to be determined by the FCC of their gross income to the federal universal service fund and a percentage of their gross income to be determined by state public utility commissions to the state universal service funds in all states in which they operate. Implementation of the federal universal service fund disbursements should not be delayed by a later timeframe required to implement state universal service fund regulations. When a service provider operates in more than one state, the Joint Board should establish the maximum percentage of gross revenues to be allocated among the relevant state funds.

Telecommunications service and Internet access service providing companies which contribute to the universal service funds would then be eligible to apply for either reimbursement from the universal service funds or offset from their universal service support requirements for the following year. Grant of such reimbursement or offset requests should be granted by the FCC and state commissions based on the same trigger mechanism that establishes priorities for universal service funding for schools and libraries in paragraph 556, so that offsets and reimbursements do not exceed the annual \$2.25 billion federal cap or the relevant state caps if they are imposed.

Schools and Libraries in High Cost Areas

Because the Joint Board recommends adopting FCC rules in time for schools and libraries to begin using discounted services for the 1997-98 school year, ADEC recommends that the

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Commission adopt for a period of five years the Joint Board's recommendation in paragraph 560 for determining high cost areas by comparing the unseparated loop costs of the incumbent local exchange carrier to a nationwide threshold. Then, ADEC recommends that the Commission and the Joint Board, as part of its year 2001 review, should revisit this issue to determine whether this reference level should be modified to better determine high cost service areas.

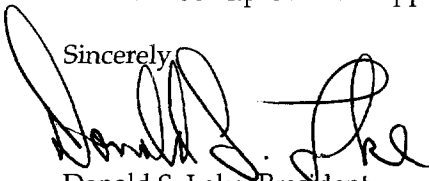
Discount Eligibility Levels

ADEC agrees with the Joint Board's paragraph 568 recommendation that the five Department of Education categories of school eligibility for the national school lunch program be used to determine the level of discount for which public or non-public schools are eligible, even though they may not participate in the school lunch program. Also, ADEC agrees with the Joint Board's paragraph 568 recommendation that library discount level eligibility be determined by the level of economically disadvantaged students of the school district in which the library is located. If a local school district has not yet applied for universal service discounts and therefore has not computed the school district eligibility level, the library should be eligible for at least a 20% discount until the school district eligibility level is set.

Conclusion

ADEC is an organization whose members provide distance education throughout the state of California, so ADEC supports the Joint Board's recommendation of rapid universal service rates implementation, incorporating the above recommendations, in time for the 1997-98 school year. ADEC also supports another review by the Joint Board in the year 2001 of how these universal service rates have assisted educators, libraries, and health care providers in their educational missions and how the universal service rules can be improved to support these entities' educational activities.

Sincerely,



Donald S. Lake, President
Alliance for Distance Education in California

cc: Federal State Joint Board
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